



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **BRUCE McPHERSON**

05:147

FOR IMMEDIATE RELEASE
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Contact: Jennifer Kerns
916-653-6575

Two Proposed Initiatives Enter Circulation

1. *Tax on Cigarettes. Initiative Constitutional Amendment and Statute.*
2. *Tax on Cigarettes. Initiative Constitutional Amendment and Statute.*

SACRAMENTO, CA --- Secretary of State Bruce McPherson announced recently that the proponent of two new initiatives may begin collecting petition signatures for the measures. Both measures relate to a tax on cigarettes and require 598,105 signatures by May 15, 2006. The proponent for both measures is Charles G. Smith, President of the Coalition for a Healthy California. He can be reached by mail at 555 Capitol Mall, Suite 1425, Sacramento, CA 95814. No phone number was provided.

The Attorney General's official titles and summaries are as follow:

TAX ON CIGARETTES. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

Imposes additional 7.5 cent tax on each cigarette distributed (\$1.50 per pack), and indirectly increases tax on other tobacco products. Tax revenues allocated to specified purposes including tobacco use prevention programs, enforcement of tobacco-related laws, and research, prevention and treatment of various human health conditions including breast and cervical cancer, prostate cancer, heart disease, stroke, asthma, colorectal cancer and obesity. Provides funding for qualified non-profit clinics and for health insurance to eligible children. Excludes tax revenue appropriations from constitutional appropriation limits and minimum school funding requirements (Proposition 98).

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increase in new state tobacco tax revenues of about \$1.4 billion annually by 2007-08, declining slightly annually thereafter. Those revenues would be used for various health and tobacco-related programs and for children's health coverage. Unknown net state costs potentially reaching the low hundreds of millions annually after a few years due to provisions for streamlining enrollment in Medi-Cal and Healthy Families programs. Unknown but potentially significant savings to counties on a statewide basis beginning in the near term for a shift of children from county health coverage to the Healthy Families Program, with unknown but potentially significant costs to the state in the long term for ongoing support of expanded Healthy Families enrollment. Unknown but probably significant savings in state and local government health care costs over time due to expected reduction in consumption of tobacco products and due to other factors.

The Secretary of State's tracking number for this measure is 1176 and the Attorney General's tracking number is SA2005RF0113.

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The Secretary of State's tracking number for this measure is 1177 and the Attorney General's tracking number is SA2005RF0114.

For the complete titles, summaries and circulation calendars of each measure, please call the Secretary of State's Press Office at 916-653-6575.